

<NOTICE>

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<AGENCY TYPE='S'>DEPARTMENT OF COMMERCE

<SUBAGY>International Trade Administration

<DEPDOC>[C-570-980]

<SUBJECT>Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination

AGENCY: Import Administration, International Trade Administration, Department of

Commerce.

SUMMARY: The Department of Commerce (the Department) determines that countervailable subsidies are being provided to producers and exporters of crystalline silicon photovoltaic cells, whether or not assembled into modules (solar cells) from the People's Republic of China (PRC). The Department further determines that there have been massive imports of subject merchandise over a relatively short period of time by, and therefore critical circumstances do exist. For information on the estimated subsidy rates, <u>see</u> the "Suspension of Liquidation" section of this notice.

DATES: Effective Date: October 17, 2012.

FOR FURTHER INFORMATION CONTACT: Gene Calvert, Jun Jack Zhao, or Emily Halle, AD/CVD Operations, Office 6, Import Administration, U.S. Department of Commerce, Room 7866, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3586, (202) 482-1396, or (202) 482-0176, respectively.

SUPPLEMENTARY INFORMATION:

¹ <u>See</u> "Critical Circumstances" below.

<HD1>Background

The petitioner in this investigation is Solar World Industries, America, Inc. (Petitioner). This investigation covers 31 government programs. In addition to the Government of the PRC (GOC), the mandatory respondents in this investigation are: (1) Changzhou Trina Solar Energy Co., Ltd. and its cross-owned affiliated company Trina Solar (Changzhou) Science and Technology Co., Ltd. (collectively, Trina Solar); and (2) Wuxi Suntech Power Co., Ltd. and its cross-owned affiliated companies Luoyang Suntech Power Co., Ltd., Suntech Power Co., Ltd., Yangzhou Rietech Renewal Energy Co., Ltd., Zhenjiang Huantai Silicon Science & Technology Co., Ltd., Kuttler Automation Systems (Suzhou) Co., Ltd., Shenzhen Suntech Power Co., Ltd., Wuxi Sunshine Power Co., Ltd., Wuxi University Science Park International Incubator Co., Ltd., Yangzhou Suntech Power Co., Ltd., and Zhenjiang Rietech New Energy Science & Technology Co., Ltd. (collectively, Wuxi Suntech, unless otherwise indicated).

<HD1>Period of Investigation

The period of investigation for which we are measuring subsidies is January 1, 2010, through December 31, 2010.

<HD1>Case History

The events that have occurred since the Department published the <u>Preliminary</u>

<u>Determination</u>² on March 26, 2012, are discussed in the Memorandum to Paul Piquado, Assistant Secretary for Import Administration, Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Crystalline Silicon Photovoltaic Cells,

² <u>See Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, 77 FR 17439 (March 26, 2012) (Preliminary Determination).</u>

Whether or Not Assembled Into Modules, from the People's Republic of China (Decision Memorandum).³

<a href="mailto:Scope Comments

The scope-related comments submitted by parties in the companion antidumping duty investigation in their case and rebuttal briefs covered the same scope arguments and issues that were submitted in the case and rebuttal briefs in this investigation. Petitioner, the GOC, Trina Solar, Wuxi Suntech, Small Steps Solar, Ltd., and SunPower Corporation provided comments on the scope of the investigations and the merchandise that is to be included in the scope.

<HD1>Scope of Investigation

The merchandise covered by this investigation are crystalline silicon photovoltaic cells, and modules, laminates, and panels, consisting of crystalline silicon photovoltaic cells, whether or not partially or fully assembled into other products, including, but not limited to, modules, laminates, panels and building integrated materials. See Appendix I for a complete description of the scope of this investigation.

<a href="mailto:Critical Circumstances

In the <u>Preliminary Critical Circumstances Determination</u>,⁴ the Department concluded that critical circumstances exist with respect to imports of solar cells from the PRC for Wuxi Suntech, Trina Solar, and all other producers or exporters, in accordance with section 703(e)(1) of the Tariff Act of 1930, as amended (Act). Our analysis of the comments submitted by interested parties has not led us to change our findings from the <u>Preliminary Critical</u>

³ Public versions of all business proprietary documents and all public documents are on file electronically via Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). Access to IA ACCESS is available to registered users at http://iaaccess.trade.gov and in the Central Records Unit (CRU), room 7046 of the main Department of Commerce building.

⁴ <u>See Countervailing Duty Investigation of Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China: Preliminary Determination of Critical Circumstances, 77 FR 5487 (February 3, 2012) (Preliminary Critical Circumstances Determination).</u>

<u>Circumstances Determination</u>. For a complete discussion that reflects the Department's decisions regarding critical circumstances, <u>see</u> the Decision Memorandum. Therefore, in accordance with section 705(a)(2) of the Act, we continue to find that critical circumstances exist with respect to imports from Wuxi Suntech, Trina Solar and all other producers or exporters of solar cells from the PRC, and we will continue to maintain the suspension of liquidation of imports that entered the United States 90 days before the date of publication of the <u>Preliminary Determination</u>, unless the U.S. International Trade Commission (ITC) determines that critical circumstances do not exist.

<HD1>Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the Decision Memorandum, which is hereby adopted by this notice. A list of the subsidy programs and the issues that parties raised and to which we responded in the Decision Memorandum is attached to this notice as Appendix II. The Decision Memorandum is a public document and is on file electronically via IA ACCESS. IA ACCESS is available to registered users at http://iaaccess.trade.gov and in the CRU, room 7046 of the main Department of Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Internet at http://www.trade.gov/ia/. The signed Decision Memorandum and the electronic versions of the Decision Memorandum are identical in content.

<HD1>Use of Facts Otherwise Available, Including Adverse Inferences

For purposes of this final determination, we have continued to rely on facts available and have continued to apply adverse inferences in accordance with sections 776(a) and (b) of the Act with regard to: (1) Whether the polysilicon producers at issue are "authorities" that provide

polysilicon for less than adequate remuneration (LTAR); (2) whether the provision of polysilicon is specific in accordance with section 771(5A) of the Act; (3) whether the land provided to Trina Solar is countervailable; (4) whether the grants discovered during the course of this investigation are countervailable; and (5) the GOC's provision of electricity for LTAR. In addition, for the purposes of this final determination, we are also applying adverse facts available (AFA) to (1) find the export buyer's credit program to be used and countervailable, and to determine the countervailing duty (CVD) rate to be applied for the export buyer's credit program, and (2) determine that certain land provided to Wuxi Suntech is countervailable. A full discussion of our decision to apply AFA is presented in the Decision Memorandum under the section "Use of Facts Otherwise Available and Adverse Inferences."

<HD1>Suspension of Liquidation

In accordance with section 705(c)(1)(B)(i) of the Act, we have calculated a rate for each individually investigated producer/exporter of the subject merchandise. Section 705(c)(5)(A)(i) of the Act states that for companies not investigated, we will determine an "all-others" rate equal to the weighted average countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero and <u>de minimis</u> countervailable subsidy rates, and any rates determined entirely under section 776 of the Act.

Notwithstanding the language of section 705(c)(5)(A)(i) of the Act, we have not calculated the "all others" rate by weight averaging the rates of Trina Solar and Wuxi Suntech, because doing so risks disclosure of proprietary information. Therefore, we have calculated an average rate using other information on the record.⁵ Since both Trina Solar and Wuxi Suntech received countervailable export subsidies and the "all others" rate is an average based on the

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⁵ <u>See</u> Memorandum to the File from Emily Halle, "Calculation of the All-Others Rate," dated October 9, 2012, providing the precise calculation relying on public information.

individually investigated exporters and producers, the "all others" rate includes export subsidies.

We determine the total countervailable subsidy rates to be as follows.

Company	Subsidy Rate
Changzhou Trina Solar Energy Co., Ltd. Trina Solar (Changzhou) Science and Technology Co., Ltd. (collectively, Trina Solar)	15.97 percent ad valorem
Wuxi Suntech Power Co., Ltd. Luoyang Suntech Power Co., Ltd. Suntech Power Co., Ltd. Yangzhou Rietech Renewal Energy Co., Ltd. Zhenjiang Huantai Silicon Science & Technology Co., Ltd. Kuttler Automation Systems (Suzhou) Co., Ltd., Shenzhen Suntech Power Co., Ltd., Wuxi Sunshine Power Co., Ltd., Wuxi University Science Park International Incubator Co., Ltd., Yangzhou Suntech Power Co., Ltd., and Zhenjiang Rietech New Energy Science & Technology Co., Ltd. (collectively, Wuxi Suntech)	14.78 percent ad valorem
All Others Rate	15.24 percent ad valorem

As a result of our <u>Preliminary Critical Circumstances Determination</u> and our <u>Preliminary Determination</u> and pursuant to section 703(e)(2) of the Act, we instructed U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of subject merchandise from the PRC which were entered or withdrawn from warehouse, for consumption on or after December 27, 2011, the date 90 days prior to the date of the publication of the <u>Preliminary Determination</u> in the <u>Federal Register</u>. In accordance with section 703(d) of the Act, we later issued instructions to CBP to discontinue the suspension of liquidation for CVD purposes for subject merchandise entered, or withdrawn from warehouse, on or after July 24, 2012, but to continue the suspension of liquidation of all entries from December 27, 2011, through July 23, 2012.

We will issue a CVD order and reinstate the suspension of liquidation under section 706(a) of the Act if the ITC issues a final affirmative injury determination, and will require a

cash deposit of estimated CVDs for such entries of merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, exists, but that critical circumstances do not exist, the Department will order the refund of all cash deposits and the cancellation of all securities posted from December 27, 2011, to March 26, 2012. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

<HD1>ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Assistant Secretary for Import Administration.

<HD1>Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

This determination is issued and published pursuant to sections 705(d) and 777(i) of the

Act.

<SIG><DATED>Dated: October 9, 2012. <NAME>Paul Piquado, <TITLE>Assistant Secretary for Import Administration.</SIG>

<HD1>Appendix I

<EXTRACT>

<HD1>Scope of the Investigation

The merchandise covered by this investigation is crystalline silicon photovoltaic cells, and modules, laminates, and panels, consisting of crystalline silicon photovoltaic cells, whether or not partially or fully assembled into other products, including, but not limited to, modules, laminates, panels and building integrated materials.

This investigation covers crystalline silicon photovoltaic cells of thickness equal to or greater than 20 micrometers, having a p/n junction formed by any means, whether or not the cell has undergone other processing, including, but not limited to, cleaning, etching, coating, and/or addition of materials (including, but not limited to, metallization and conductor patterns) to collect and forward the electricity that is generated by the cell.

Merchandise under consideration may be described at the time of importation as parts for final finished products that are assembled after importation, including, but not limited to, modules, laminates, panels, building-integrated modules, building-integrated panels, or other finished goods kits. Such parts that otherwise meet the definition of merchandise under consideration are included in the scope of this investigation.

Excluded from the scope of this investigation are thin film photovoltaic products produced from amorphous silicon (a-Si), cadmium telluride (CdTe), or copper indium gallium selenide (CIGS).

Also excluded from the scope of this investigation are crystalline silicon photovoltaic cells, not exceeding 10,000mm² in surface area, that are permanently integrated into a consumer good whose function is other than power generation and that consumes the electricity generated by the integrated crystalline silicon photovoltaic cell. Where more than one cell is permanently integrated into a consumer good, the surface area for purposes of this exclusion shall be the total combined surface area of all cells that are integrated into the consumer good.

Modules, laminates, and panels produced in a third-country from cells produced in the PRC are covered by this investigation; however, modules, laminates, and panels produced in the PRC from cells produced in a third-country are not covered by this investigation.

Merchandise covered by this investigation is currently classified in the Harmonized Tariff System of the United States ("HTSUS") under subheadings 8501.61.0000, 8507.20.80, 8541.40.6020, 8541.40.6030, and 8501.31.8000.6 These HTSUS subheadings are provided for convenience and customs purposes; the written description of the scope of this investigation is dispositive.

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⁶ CBP provided notification that HTSUS number 8501.31.8000 should be added to the scope of the investigation, as certain articles under this number may fall within the scope. <u>See</u> Memorandum from Gene H. Calvert through Mark Hoadley to the File, "ACE Case Reference File Update," dated May 16, 2012.

<HD1>Decision Memorandum

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- B. Attribution of Subsidies
- C. Allocation Period
- D. Loan Benchmarks and Discount Rates for Allocating Non-Recurring Subsidies
- E. LTAR Benchmarks
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- 2. Preferential Policy Lending
- 3. Provision of Polysilicon for LTAR
- 4. Provision of Land for LTAR
- 5. Provision of Electricity for LTAR
- 6. "Two Free, Three Half" Program for Foreign-Invested Enterprises (FIEs)
- 7. Preferential Tax Program for High or New Technology Enterprises (HNTEs)
- 8. Enterprise Income Tax Law, Research and Development (R&D) Program
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- 11. Discovered Grants
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- 17. Export Credit Subsidy Program: Export Seller's Credits
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